

CA101037

SHELBY COUNTY BOARD OF COMMISSIONERS
AGENDA ROUTE SHEET

Referred to Commission Committee _____

For Commission Action on _____

DESCRIPTION OF ITEM:

**RESOLUTION APPROVING SHELBY COUNTY ASSESSOR'S 2013 FOUR YEAR
REAPPRAISAL PLAN. SPONSORED BY COMMISSIONER JOSEPH FORD, SR.**

CHECK ALL THAT APPLY BELOW:

_____ This Action does NOT require expenditure of funds.

X This Item requires/approves expenditure of funds as follows (complete all that apply):

County General Funds: \$ _____ ; County CIP Funds- \$ _____

State Grant Funds: \$ _____ ; State Gas Tax Funds: \$ _____

Federal Grant Funds: \$ _____

Other funds (Specify source and amount): \$ _____

Other pass-thru funds (Specify source and amount): \$ _____

Originating Department: ASSESSOR OF PROPERTY

APPROVAL:

Dept. Head:

(Print your name & phone #.) (Initials) (Date)

Elected Official:

Cheyenne Johnson 379-7360
(Print your name & phone #.) CJ 9/10/09
(Initials) (Date)

Division Director:

(Print your name & phone #.) (Initials) (Date)

CIP - A&F Director:

(Print your name & phone #.) (Initials) (Date)

Finance Dept.

Michael Swift 545-4289
(Print your name & phone #.) MS 9/15/09
Richards 9/15/09 (Initials) (Date)

County Attorney:

Lisa Kelly 545-4363
(Print your name & phone #.) LK Sept 15.09
(Initials) (Date)

CAO/Mayor:

James Huntzicker 545-4514
(Print your name & phone #.) JH 9/16/09
(Initials) (Date)

SUMMARY SHEET

I. Description of Item

Resolution approving the Shelby County Assessor 2013 Four Year Reappraisal Plan.

II. Source and Amount of Funding

N/A

III. Contract Items

N/A

IV. Additional Information Relevant to Approval of this Item

Tennessee Code Annotated 67-5-1601 provides that upon the submission of a plan by the Assessor and upon approval of the State Board of Equalization, a reappraisal program may be completed by a continuous four (4) year cycle.

The Assessor Four Year Reappraisal Plan requires approval by the Shelby County Board of Commissioners prior to submission to the state for their review and approval.

ITEM NO: _____

PREPARED BY: Gwendolyn Cranshaw

APPROVED BY: _____

**RESOLUTION APPROVING SHELBY COUNTY ASSESSOR'S 2013
FOUR YEAR REAPPRAISAL PLAN. SPONSORED BY
COMMISSIONER JOSEPH FORD, SR.**

WHEREAS, Pursuant to Tennessee Code Annotated Section 67-5-1601, the Assessor is required to perform an appraisal every four (4) years; and

WHEREAS, The Assessor completed the most recent appraisal in 2009; and

WHEREAS, The Assessor must perform the next appraisal in year 2013, and

WHEREAS, The Assessor must submit the reappraisal plan for the year 2013 to the State Board of Equalization for approval, and

WHEREAS, Said plan must be approved by the County Commission prior to submission to the State; and

WHEREAS, Assessor has completed such plan, attached hereto as Exhibit A and incorporated herein by reference, which outlines the costs and steps necessary to complete the reappraisal by 2013.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the plan for reappraisal of Shelby County properties as of 2013 be and the same is hereby approved;

BE IT FURTHER RESOLVED, That the County Assessor, Cheyenne Johnson, is hereby authorized to submit the plan as detailed in Exhibit A, which is attached hereto and incorporated herein by reference, to the State Board of Equalization.

A C Wharton, Jr., County Mayor

Date: _____

ATTEST:

Clerk of County Commission

ADOPTED: _____

2013 FOUR YEAR REAPPRAISAL PLAN

SHELBY COUNTY

SUBMISSION DATE: June 1, 2009

ASSESSOR OF PROPERTY

CHEYENNE JOHNSON

TABLE OF CONTENTS

SECTION I

Visual Inspection

Three-year Visual Inspection Cycle.....	3
Daily Production Requirements.....	4
First year of cycle.....	5
Second year of cycle.....	6
Third year of cycle.....	7
Narrative Plan of Inspection.....	8

SECTION II

Revaluation

Revaluation Year Data	9
Narrative Plan of Revaluation	10
Phase Delineation Chart Descriptions	14
Assessor's Phase Delineation Chart	18
Signature Page.....	20

ATTACHMENTS

Staffing Estimate.....	Appendix 1
Staffing Table.....	Table 1
County Index Map(s) Showing Inspection Cycle.....	Appendix 2
Parcel Distribution.....	Appendix 3
Commercial/Industrial Inspection Cycle.....	Appendix 4
Training.....	Appendix 5
Cap Rate Study.....	Appendix 6
Low End Residential.....	Appendix 7
High End Residential.....	Appendix 8
Land.....	Appendix 9
Fiscal Year Budget Requirement Breakdowns.....	Appendix 10
Personnel Roster.....	Appendix 11
Pictometry.....	Appendix 12
Resolution of Legislative Body Stating Action on Plan.....	Appendix 13

SECTION I

FOUR-YEAR VISUAL INSPECTION CYCLE

COUNTY SHELBYREVALUATION YEAR 2013CYCLE BEGINNING DATE 07-01-09ASSESSOR CHEYENNE JOHNSON

COUNTY SUMMARY

(Attach Parcel Distribution Report Summary Sheet)

TOTAL PARCELS	URBAN 1"=50' & 100' MAPS	323,300	(Except C/I/Other)
(Projected)	RURAL 1"=400' MAPS	3,950	(Except C/I/Other)
	COMMERCIAL/INDUSTRIAL	21,250	(Total)
	ALL OTHER	16,225	(Total)

TOTAL PARCELS	
(County Wide Projected through Revaluation Year)	364,725

TOTAL MAPS	1" = 50'	5
	1" = 100'	1,893
	1" = 400'	151
	TOTAL	2,049

ESTIMATED TOTAL TRANSFERS PER YEAR	30,000
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ESTIMATED NUMBER OF SPLIT TRANSFERS	1,500
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SCHEDULED MAP MAINTENANCE

Daily X

Monthly _____

Annual _____

Other (Specify) _____

DAILY PRODUCTION REQUIREMENTS FOR INSPECTION
(Number of Parcels Reviewed Per Person Per Day)

URBAN	<u>50</u>
RURAL	<u>10</u>
COMM./INDUSTRIAL	<u>10</u>
OTHER PARCELS	<u>10</u>

TOTAL NUMBER OF PARCELS PER INSPECTION YEAR

YEAR 1 42,300

YEAR 2 170,913

YEAR 3 151,512

ESTIMATED NUMBER OF INSPECTION PERSONNEL REQUIRED

20

ESTIMATED NUMBER OF CLERICAL PERSONNEL REQUIRED

14

SCHEDULED REPORTING PERIOD QUARTERLY X

FIRST YEAR OF CYCLE

NUMBER OF PARCELS TO BE INSPECTED:

URBAN 42,300 RURAL - COMM/IND - OTHER - TOTAL 42,300

PERCENT OF PARCELS TO BE INSPECTED:

URBAN 13% RURAL - COMM/IND - OTHER - TOTAL 13%

GEOGRAPHIC AREA TO BE INSPECTED (Specific Regions)

Region 3

PERCENTAGE OF TOTAL PARCEL COUNT TO BE INSPECTED THIS YEAR: 11%

QUALITY ASSURANCE BY SENIOR STAFF MEMBER OR ASSESSOR

Percentage of Inspected Parcels to be Reviewed:

URBAN 10% RURAL - COMM/IND - OTHER - TOTAL 10%

BUDGET REQUIREMENTS TO COMPLETE VISUAL INSPECTION CYCLE FOR FISCAL

YEAR 2009-2010 \$2,500,000

SECOND YEAR OF CYCLE

NUMBER OF PARCELS TO BE INSPECTED:

URBAN 150,200 RURAL 1,975 COMM/IND 10,625 OTHER 8,113 TOTAL 170,913

PERCENT OF PARCELS TO BE INSPECTED:

URBAN 46% RURAL 50% COMM/IND 50% OTHER 50% TOTAL 47%

GEOGRAPHIC AREA TO BE INSPECTED (Specific Regions)

Regions 4 & 5 & 6

PERCENTAGE OF TOTAL PARCEL COUNT TO BE INSPECTED THIS YEAR: 47%

QUALITY ASSURANCE BY SENIOR STAFF MEMBER OR ASSESSOR

Percentage of Inspected Parcels to be Reviewed:

URBAN 10% RURAL 10% COMM/IND 10% OTHER 10% TOTAL 10%

BUDGET REQUIREMENTS TO COMPLETE VISUAL INSPECTION CYCLE FOR FISCAL
YEAR 2010-2011 \$2,500,000

THIRD INSPECTION YEAR OF CYCLE

NUMBER OF PARCELS TO BE INSPECTED:

URBAN 130,800 RURAL 1,975 COMM/IND 10,625 OTHER 8,112 TOTAL 151,512

PERCENT OF PARCELS TO BE INSPECTED:

URBAN 41% RURAL 50% COMM/IND 50% OTHER 50% TOTAL 42%

GEOGRAPHIC AREA TO BE INSPECTED (Specific Regions)

Regions 1 & 2

PERCENTAGE OF TOTAL PARCEL COUNT TO BE INSPECTED THIS YEAR: 42%

QUALITY ASSURANCE BY SENIOR STAFF MEMBER OR ASSESSOR

Percentage of Inspected Parcels to be Reviewed:

URBAN 10% RURAL 10% COMM/IND 10% OTHER 10% TOTAL 10%

BUDGET REQUIREMENTS TO COMPLETE VISUAL INSPECTION CYCLE FOR FISCAL

YEAR 2011-2012 \$2,500,000

NARRATIVE PLAN OF COMPLETION OF VISUAL INSPECTION CYCLE

- A. Personnel Needs:
Staffing estimates are detailed in Appendix 1 and Table 1 found in the Addendum.
- B. Office and Equipment:
Additional space and equipment will be made available to accommodate the addition of new visual inspection staff outlined in Appendix 1.
- C. Training Planned and Needed for Staff:
Training plans are explained in a narrative on this subject provided in the appendix.
- D. Geographic Areas of Responsibility Assigned to Inspection Personnel:
Residential work will be organized by appraisal region and neighborhood number. Parcel counts for each neighborhood are provided in the Addendum. Commercial work will be organized by use group. Visual inspection will be scheduled by Property Type and Neighborhood. Farm/rural parcels and other parcels will be organized and scheduled by neighborhood.
- E. Production Rates:
Production rates used are detailed in Appendix 1 and Table 1 found in the Addendum.
- F. Map Maintenance Schedule and Explanations:
Maps are updated daily and are current within 90 days of the deed transaction.
- G. Quality Assurance Efforts Planned:
Ten Percent (10%) of the visual inspection work will be done by appraisers responsible for residential regions and commercial use groups or designated appraisal managers.

SECTION II

FOURTH YEAR AND/OR REVALUATION YEAR

REVALUATION YEAR		2013	
TOTAL PARCELS (Projected)	URBAN (1" = 100' Maps)	323,300	(Except Comm/Ind)
	RURAL (1" = 400' Maps)	3,950	(Except Comm/Ind)
	Commercial/Industrial	21,250	(All Maps)
	OTHER	16,225	
	TOTAL	364,725	

BUDGET REQUIREMENTS TO COMPLETE REVALUATION PROGRAM FOR FISCAL
 YEAR 2012-2013 \$2,500,000

ATTACH BREAKDOWN OF REQUIREMENTS SHOWING SPECIFIC AMOUNTS FOR:

- | | |
|--------------------------|--------------------|
| 1. Salaries (Individual) | 6. Printing |
| 2. Benefits | 7. Office Supplies |
| 3. Travel | 8. Training |
| 4. Data Processing | 9. Other |
| 5. Postage | |

NARRATIVE PLAN OF REVALUATION

- A. Personnel:
Staffing estimates are detailed in Appendix 1 and Table 1 found in the Addendum.
- B. Office Space and Equipment Needs (Space for State Personnel Providing Assistance):
Not applicable.
- C. Use of Aerial Photographs:
Satellite imagery will be incorporated using the GIS system. We will also use Pictometry to assist in the visual inspection process. See Addendum for Pictometry specifics.
- D. Assistance Request of Division of Property Assessments:
Quarterly assistance is needed in developing ratio studies and statistical analyses using NCSS.
- E. Development of Sales File:
Special staff will be devoted to visual review and qualification of all sales within 90 days of the sales date to ensure that the property characteristics on sold properties are always current.
- F. Area Codes (Neighborhood Codes):
MLS codes have been subdivided into neighborhoods and identified with a 5 digit prefix to represent area code and a 3 digit suffix to identify neighborhood. A review and update of the neighborhood boundaries will be part of the reappraisal process. Efforts will be undertaken to create a subdivision code, street code and map coordinate code to be entered into the CAMA database to facilitate better selection of comps by the CAMA system.
- G. Improvement Valuation:
1. Base Rate Development
A cost index study will be undertaken during the reappraisal and used to update current cost tables or the current version of cost tables provided by CLT as part of the newest release of IAS.

2. Analysis

Standardized data queries and standardized sales analysis spreadsheet templates and database applications will be developed and deployed in the reappraisal.

3. Special Building & Extra Feature Valuation

The IAS outbuilding and yard item tables will be updated using a cost index study.

4. Collection & Use of Income & Expense Information

A comprehensive mailing of income and expense questionnaires will be undertaken by January 2010. An income and expense study will be compiled and used as the basis of income modeling using IAS.

5. Quality Assurance Efforts

Neighborhood profile reports based upon sales and analysis of benchmark appraisals will be developed to serve as valuation guidelines and assist in the identification of outliers. A review of outliers will be organized and implemented.

H. Land Valuation:

1. Rural Land & Use Value

Land models will be developed from sales and rents using standard spreadsheet applications/templates/tables. Residential and Commercial models will be applied using the computer assisted land pricing feature (CALP) in our CAMA system.

2. Residential/Small Tract

Small tract models will be developed from sales using standard spreadsheet applications/templates/tables. Models will be applied manually by qualified appraisers.

3. Commercial & Industrial

Cost and income models will be developed and applied using the IAS CAMA system. Models will be calibrated to sales and benchmark appraisals. Final values on C & I properties will be determined by appraisers during a final value review. Final value date, appraisal method used, reason code and appraiser ID will be put into IAS at the point of final value determination to ensure accountability in value decisions.

4. Quality Control

Data quality reports and other queries will be run on a regular basis to spot outliers and values that do not conform to standards. Valuation standards and guidelines will be prepared in advance of final review and all values must conform to these market based guidelines. IAAO statistical standards will be used to measure quality of appraisals.

I. Mineral and/or Leaseholds:

All respective parcels will be investigated and valued pursuant to TCA and State of Tennessee valuation guidelines and manuals produced by the Division of Property Assessments.

J. Valuation Analysis:

1. Detailed Analysis

Standards for analysis will be developed, published and used uniformly.

2. Final Value Correlation

Cost and income values will be calibrated so that the values are within 10% using the cost approach as the common denominator in cases where the income approach is used as the final value. Data queries will be used to spot parcels that don't meet this standard. If the variation is greater than 10%, manual adjustments will be allowed within prescribed written guidelines.

K. Updating of Ownership Information:

Ownership information is current within 90 days of an ownership change.

L. New Construction:

Permits are tracked and new construction worked by the appraisal department.

M. Final Value Meeting:

A final value meeting will be set up at least two weeks before printing and mailing notices.

Statistical analyses and final value reports will be presented by residential regional appraisers and commercial appraisers responsible for use groups. Other appraisers will present their final value reports and summary of supporting documentation at this time. A checklist will be developed to account for all phases of reappraisal and make sure that standards have been met.

N. Hearings (Formal and Informal):

Hearings will be organized and handled by the answer center at the east office and satellite offices set up for reviews with property owners. Telephone and computer systems will be expanded and staffed to maximize the number of calls/inquiries getting through to the answer center.

O. Computer Appraisal System:

1. Do you currently use the State of Tennessee Computer Assisted Appraisal System (CAAS)? Yes _____ No X If No, name of system currently in use.
COLE, LAYER, AND TRUMBLE'S INTEGRATED ASSESSMENT SYSTEM
2. Do you plan to change to another computer system during the reappraisal cycle covered in this plan? Yes _____ No X

If Yes, detailed information must be included that defines the computer system and explains the county's plan of implementation.

REVALUATION PHASE DELINEATION CHART DESCRIPTIONS**A. ADMINISTRATION**

1. Planning/Organizing - The time an administrator spends in establishing goals, policies and procedures; and organizing the work activities for a timely completion of each reappraisal phase.
2. Directing/Controlling - The time an administrator spends in guiding supervising personnel responsible for the accomplishment of the clerical and appraisal activities necessary to complete each phase.

B. CLERICAL

1. File Cleanup - Time required in the correction of file reports such as: incorrect land codes, improvement types, property types, etc.
2. Acreage Correlation - Time required to compare acreage amounts on the property record card with the tax maps, and to correct any discrepancies.
3. Inspection Corrections - Time required to make corrections to properties reviewed during the inspection cycle.
4. Data Entry - Time required to key changes and corrections.
5. Processing/Screening - Time required to process and examine all data prior to data entry and to edit completed data upon return from data processing
6. Acreage Grid - Time required to calculate the acreage of each land grade on tracts, which may be eligible for greenbelt.
7. Greenbelt Recertification - Time required to prepare and process the recertification of all greenbelt properties.
8. Other - Time required to perform other clerical duties necessary to the successful completion of the reappraisal program.

C. PRELIMINARY ANALYSIS OF FILE

1. Area Codes - Time required to review the current area code assignments and determine the need for any changes or corrections.
2. Improvement Types - Time required to review the current improvement types used and determine any needed changes, corrections or additions.
3. Extra Features/Special Buildings - Time required to review the current status of the extra features as special buildings and to determine any needed changes, corrections or additions.

4. Small Tracts - Time required to review the current small tract listings for accuracy and consistency, also the methods used to establish values and to determine any needed changes or corrections.
5. Rural Land - Time required to review the current rural land listings for accuracy and consistency, also the methods used to establish values and to determine any needed changes or corrections.
6. Income and Expense - Time required to review the commercial properties and determine the methods and forms to be used in the collection of income and expense information.
7. Sales File Cleanup - Time required to review the status of the sales file using sales reports and deed inventories. The sales file should be up-to-date and listed correctly.
8. Override Properties - Time required to review the listing of properties that have an override code. Delete all override codes making any needed changes or corrections.

D. LAND VALUATION

1. Urban - Time required to analyze vacant and improved sales to determine appropriate units of comparison, to establish base lot values, front foot and square foot values as well as units buildable. Urban parcels are located on 1" - 100' or larger scaled maps.
2. Commercial/Industrial - Time required to analyze vacant and improved sales and to determine appropriate units of comparison as well as establish base front foot, square foot and acreage values.
3. Rural - Time required to analyze vacant and improved sales of 15 acres or greater and to determine a preliminary rural land schedule. Rural land listings should be changed or corrected as needed.
4. Small Tracts - Time required to analyze vacant and improved sales of parcels less than 15 acres on rural maps and to establish a small tract pricing guide. Small tract listings should be changed or corrected as needed.

E. IMPROVEMENT VALUATION

1. Base Rates - Time required to develop tentative market base rates for all improvement types, utilizing sales of particular properties or in absence of sales an approved cost index service.
2. Factors - Time required to determine the use, if any, of base rate factors or land factors.
3. Effective Ages - Time required to review the condition factors (effective ages) of all improvements and to adjust those improvements due to the change in the base year for depreciation calculations.

4. Extra Features/Special Buildings - Time required to develop and/or to update extra features and special buildings rates and depreciation tables.

F. SPECIAL PROPERTIES VALUATION

1. Commercial/Industrial - Time required to appraise special purpose properties such as: large industrials, golf courses or recreational facilities, etc.
2. Minerals - Time required to collect data and to appraise mineral interests.
3. Leaseholds - Time required to analyze the leases on fee exempt properties and value leasehold interests.
4. Exempt Properties - Time required to review and to compare the approved exemption applications with a current exempt properties listing; and to determine any changes that may alter the exemption's status of the properties.
5. Other - Time required to value other unique or complex properties that need additional resources for appraisal.

G. ASSESSOR FILE MAINTENANCE

1. New Construction - Time required to measure and list all new construction completed prior to the reappraisal date.
2. Mapping Splits - Time required for map maintenance during year prior to reappraisal.
3. Tree lines/Land Grades - Time required to update tree lines and land grade changes on the tax maps and to correct the resulting land grade listing for the property.
4. Sales File - Time required to maintain an up-to-date-sales file during the year prior to the reappraisal date.

H. FINAL VALUATION REVIEW

1. Urban - Final determination of values for residential properties located on 1' = 100' or larger scaled maps.
2. Rural - Final determination of values for residential/farm properties located on 1"= 400' maps.
3. Use Schedule - Final review of the use schedule calculations and the greenbelt parcels listing.
4. Commercial/Industrial - Final determination of values on commercial and industrial properties on all maps.
5. Final Value Meeting - Meeting with the State Division of Property Assessments reviewing all phases of the reappraisal program for accuracy and completion. Appraisal change

reports and all analysis reports should be reviewed to determine needed changes or corrections.

6. Final Analysis - Interpreting final sales analysis prior to printing assessment change notices and property record cards. Compiling pertinent appraisal tables, schedules, manuals and maps for future reference.

I. INFORMAL HEARINGS

1. Urban - Estimate the number of parcels that will be reviewed during the assessor's hearings.
2. Rural - Estimate the number of parcels that will be reviewed during the assessor's hearings.
3. Commercial/Industrial and Special Properties - Estimate the number of parcels that will be reviewed during the assessor's hearings.
4. Clerical - Maintaining files and appointment logs and processing appraisal changes including data entry.
5. Field Checks - Field reviews due to informal hearings.

J. FORMAL HEARINGS

County Board of Equalization - Appraisal and clerical personnel required to assist the County Board of Equalization during the reappraisal year.

ASSESSOR'S REAPPRAISAL PHASE DELINEATION CHART

PHASE (Reappraisal Activity)	UNITS # of Maps or Parcels	DAILY PRODUCTION RATE	BEG DATE	COMP DATE	TOTAL MAN MONTHS	PERSONNEL (Man Mos / Time)
A. ADMINISTRATION						

1. Planning/Organizing			7-1-09	6-30-13	48	1
2. Directing/Controlling			7-1-09	6-30-13	192	4
B. CLERICAL						
1. File Cleanup (work all cleanup reports)			7-1-09	12-31-13	42	1
2. Acreage Correlation			1-1-10	6-30-11	3	.5
3. Inspect. Cycle Corrections			7-1-09	6-30-12	216	6
4. Data Entry			7-1-09	9-30-12	234	6
5. Processing/Screening (data change returns)			10-1-09	9-30-12	36	1
6. Acreage Grid			7-1-09	12-31-09	3	.5
7. Greenbelt Recertification			1-1-10	3-31-12	27	1
8. Other						
C. PRELIMINARY ANALYSIS OF FILE						
1. NBHD Codes (Review/Correct)			7-1-09	6-30-10	36	3
2. Imp. Types (Review)			7-1-09	6-30-10	336	14
3. Extra Features/Special Bld (analysis /calculation)			7-1-09	6-30-10	12	1
4. Small Tracts (Review accuracy/consistency)			1-1-10	6-30-10	3	.5
5. Rural Land (Review/establish schedule)			1-10-11	6-30-11	3	.5
6. Income & Expense (Methods & Forms)			3-1-12	6-30-12	3	.5
7. Sales File Cleanup			7-1-09	12-31-12	30	1
8. Override Properties			7-1-12	12-31-12	12	2
D. LAND VALUATION						
1. Urban (50' & 100' Maps)	323,300		1-1-11	12-31-11	24	1
2. Comm/Ind	21,250		1-1-11	12-31-11	24	1
3. Rural (Farm)	3,950		1-1-11	12-31-12	24	1
E. IMPROVEMENT VALUATION						
1. Base Rates	300,000		1-1-10	12-31-12	24	1
2. Effective Ages						
3. XFSB						
F. SPECIAL PROPERTIES VALUATION						
1. Comm/Ind	21,250		1-1-10	12-31-12	144	6
2. Minerals	-		-			-
3. Leaseholds	400		7-1-09	12-31-12	30	1
4. Exempt Properties	16,000		7-1-09	12-31-12	30	1

5. Other (Multi-Class)	225		7-1-09	12-31-12	30	1
G. ASSESSOR FILE MAINTENANCE						
1. New Construction	15,000		7-1-09	12-31-12	30	1
2. Mapping Splits	1,200		7-1-09	12-31-12	30	1
3. Treelines/Land Grades			1-1-11	6-30-12	3	.5
4. Sales File			7-1-09	12-31-12	60	2
H. FINAL VALUATION REVIEW						
1. Urban				1-1-12	10-31-12	
2. Rural				1-1-12	10-31-12	
3. Use Schedule				1-1-12	10-31-12	
4. Comm/Ind				1-1-12	10-31-12	
5. Final Value Meeting				2-15-13		
6. Final Analysis				2-18-13		
I. INFORMAL HEARINGS						
1. Urban (estimate)				3-1-13	4-20-13	
2. Rural (estimate)				3-1-13	4-20-13	
3. Comm/Ind & Special Properties				3-1-13	4-20-13	
4. Clerical (data entry, filing, etc.)				3-1-13	7-31-13	
5. Field Checks				3-1-13	7-31-13	
J. FORMAL HEARINGS						
1. County Bd of Equalization				6-1-13	12-31-13	

TOTAL APPRAISAL PERSONNEL REQUIRED (sum of phases C through J) 40

TOTAL CLERICAL PERSONNEL REQUIRED (sum of Phase B) 16

TOTAL ADMINISTRATIVE PERSONNEL REQUIRED (sum of Phase A) 5

TOTAL REAPPRAISAL PLAN BUDGET REQUIREMENTS \$10,000,000
(All Years Totaled)

This plan is hereby submitted for Reappraisal of SHELBY County as required by TCA 67-5-1601.

Cheyenne Johnson
ASSESSOR OF PROPERTY (Signature)

DATE: 8/28/09

REVIEWED BY:

COUNTY EXECUTIVE (Signature)

DATE: _____

RESOLUTION BY COUNTY COMMISSION:

APPROVED _____ (Attach Copy of Resolution)
DISAPPROVED _____



CHAIRMAN, COUNTY COMMISSION (Signature)

DATE: _____

DATE SUBMITTED TO STATE BOARD OF EQUALIZATION: _____

To be Completed by State Board of Equalization Only:

RECOMMENDATION:

APPROVED _____
MODIFY _____
DISAPPROVED _____

DATE _____
DATE _____
DATE _____

Shelby County, Tennessee
2013 Reappraisal Plan
Staff Estimates

Total Number of Work Days (52 x 5)	260
Less	
Number of Holidays (11 per year)	11
Average Vacation Days (1 per month)	12
Average Sick Days (1 per 2.4 months)	05
Average Training Days (1 per Month)	12
Inclement Weather Days (5 per year)	05
Total Number of Working Days Available per Year	215

Reappraisal Staffing Estimates

CAMA System	1
♦ 1 Appraisers Responsible for Database Administration and Modeling	

Residential Staffing Estimates¹

Residential Revaluation Staffing Requirements: (290,000 projected parcel count)	8
♦ 6 Regional Appraisers	
♦ 1 Sales Verification Appraiser	
♦ 1 Residential CAMA modeler	
Residential Visual Inspection Staffing Requirements: ²	14
♦ 14 Associate, field and durational appraisers serving as data collectors	

Residential Staffing Total 23

Commercial and Industrial Staffing Estimates

Revaluation Requirements: (20,000 projected parcel count)	10
♦ 8 Appraisers Responsible for Major Use Groups and Special Purpose Properties (Office, Warehouse, Retail, Manufacturing, Apartments, Special/Limited Use)	
♦ 1 Appraisers Responsible for Land Revaluation	
♦ 1 Appraisers Responsible for Sales Verification	

Visual Inspection Staffing Requirements:	3
♦ 8 Appraisers to collect and verify Commercial Property data characteristics P=20,000; T=645; R=10	

Commercial Staffing Total 13

¹ Formula for residential and commercial staffing projections: $S = P / (R \times T)$

Where S = Staff Required
P = Number of Parcels
R = Production Rates
T = Time Available

² See the staffing estimates from Table 1.

Shelby County, Tennessee
2013 Reappraisal Plan
Staff Estimates

Farm/Rural Reappraisal Staffing Estimates

Revaluation and Visual Inspection Requirements: 2.0

- ♦ 1 Appraiser to analyze sales, develop pricing guides/models and apply the guides manually
- ♦ 1 Part time associate appraiser to do visual field review, land grading and data collection
P = 3,950
T = 430 Days
R = 10

Farm/Rural Staffing Total 2.0

Other/Exempt/Mixed Use/Leasehold Reappraisal Staffing Estimates

Visual Inspection and valuation: (16,225 exempt and mixed use) 4.0

P = 16,225
T = 430 Days
R = 10 per day

- ♦ 3 Full time associate, field or durational appraisers
- ♦ 1 part time associate, field or durational appraiser

Other Staffing Total 4.0

Clerical Staffing Estimate

Data Entry for Visual Inspection Work: 9

P = 364,725
T = 645 Days
R = 75

Organizing, Sorting and Preparing Field Packs for Visual Inspection Teams 4

(1 Full time clerks per team. Team totals: 3 residential and 1 commercial.)

Total Clerical Staff Required for Visual Inspection Cycle 13

Management Staffing Requirement

Manager of Appraisal/Reappraisal
Commercial Reappraisal Manager
Residential Reappraisal Manager
Residential Operations Manager

Total Management Staff 4

Summary of Reappraisal Staffing Requirements

Management 4
Appraisal Staff (Full Time): 42
Clerical Staff 13

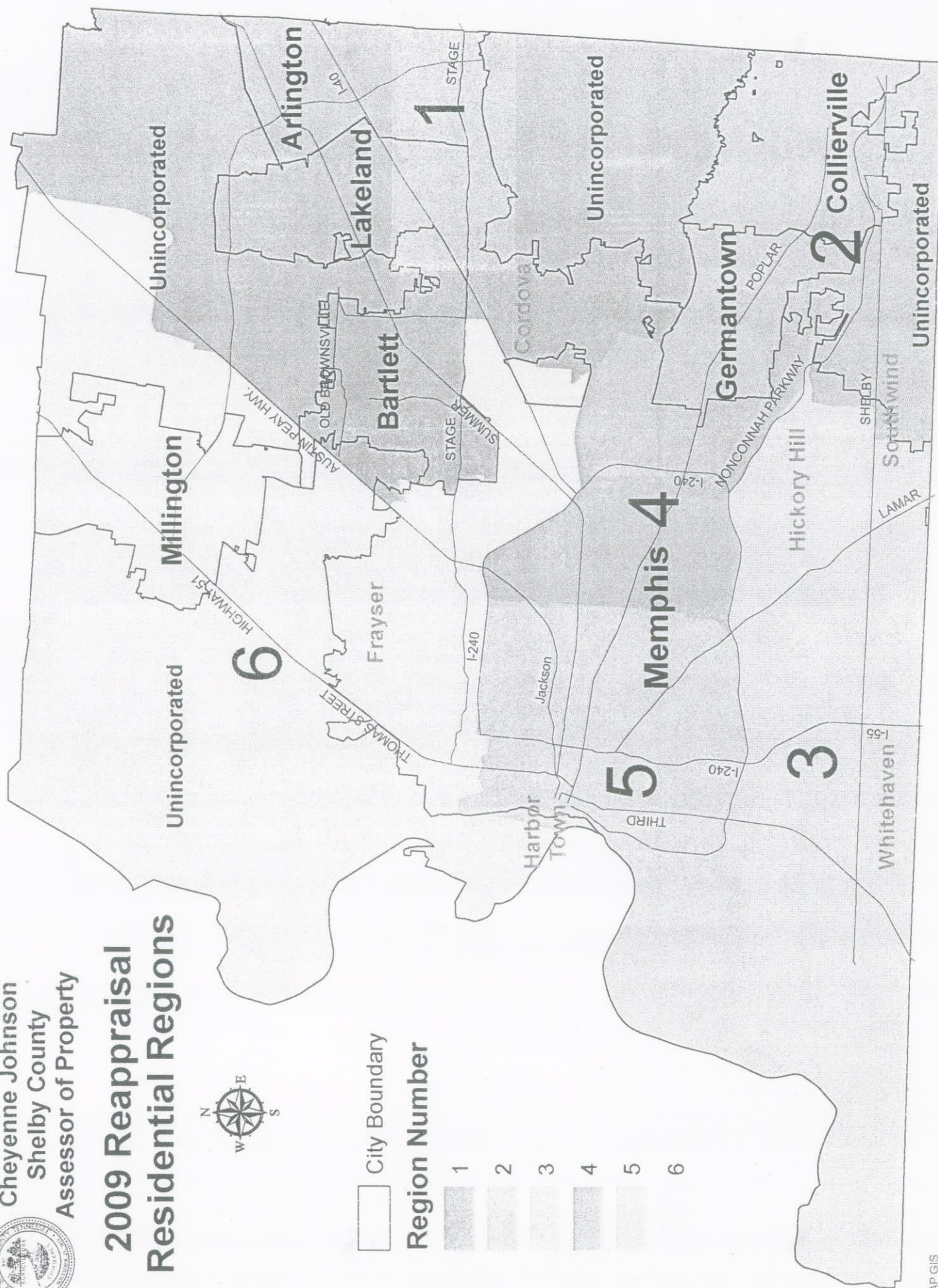
Grand Total Staffing Level 59

TABLE 1

Residential Reappraisal Staffing Plan

Scenario	Plan Cycle	CVU Year	Reappraisal Year	Parcel Count (P)	Inspections per Year	Time Available (T)	Production Rate (R)	Staff* Required (S)	Type of Staff**	Scheduled Start Date	Scheduled Completion Date
Four Year Reappraisal - 3 Year Visual Review	4 Year	N/A	2013	323,300	161,650	3 Years	50	15	Assoc. Appraiser	JUL-01-2009	JUN-30-2012
Assumptions: * Visual inspection scenarios are for properties classified as residential. * Formula for staffing requirements: STAFFING=S=P/(R X T) (From IAAO Course 4) * Working days per year = 215											
* First year of inspection cycle addresses problem areas found in the appeal process and Region 3											

2009 Reappraisal Residential Regions



RESIDENTIAL - PARCEL DISTRIBUTION BY REGION (PROJECTED)

REGION	Parcels
1	64,800
2	66,000
3	42,300
4	46,000
5	67,500
6	36,700
TOTAL	323,300

Res Inspection Cycle	REGIONS	PARCELS	%
YEAR 1	3	42,300	13%
YEAR 2	4 & 5 & 6	150,200	46%
YEAR 3	1 & 2	130,800	41%
		323,300	100%

COMMERCIAL/ INDUSTRIAL VISUAL REVIEW CYCLE

APPENDIX 4

The visual review of commercial/industrial property will be conducted on use basis rather than a map or neighborhood basis. This methodology will allow us to be more consistant in our inspection.

YEAR 2		
LUC	DESCRIPTION	COUNT
0	Vacant	4042
2	Apartment	898
3	Apt-High Rise	37
33	Full Service Station	72
34	Store-Retail	2130
35	Store-Apt	122
36	Store-Office	38
42	Laundromat	22
43	Theater-Picture	19
44	Chemical Plant	4
67	Garden Apt	1206
77	Car Wash-Drive	8
78	Bar/Lounge	116
79	Car Wash - Auto	12
81	Convenience Store	440
82	Day Care Center	240
83	Health Club	5
84	Boarding House	25
85	Cinema-Multi	2
86	Night Club	11
91	Whse-Mini	104
92	Whse-Storage	2450
97	Office Whse	130
TOTAL		12133

YEAR 3		
LUC	DESCRIPTION	COUNT
1	Assessory Imp	1581
4	Auto Dealer	189
5	Bank	181
6	Bowling Alley	6
7	Car Wash-Man	74
8	Religious	76
11	Country Club	13
12	Store-Department	18
13	Store-Discount	51
14	Dormitory	15
15	Drive In Theater	2
16	Fire Station	4
17	Frat House	13
18	Funeral home	37
19	Hanger	40
20	Hotel	53
21	Motel	128
24	Office Medical	343
23	Hospital	14
25	Mobile Home Park	23
26	Nursing Home	55
27	Retirement Center	19
28	Parking Garage	22
29	Restaurant	325
30	Fast Food	397
31	Drive-In Rest.	13
32	Service Garage	830
37	Supermarket	47
38	School	70
39	Shp-Ctr-Nbhd	143
40	Shp-Ctr-Strip	693
45	Machine Shop	50
46	Mfg Facility	46
47	Truck Terminal	22
48	Whse-Dist	12
49	Grain Elevator	1
50	Packing Plant	4
65	Mall	10
68	Office Low	1889
69	Office High	82
71	Trucking Company	34
72	Terminal Air/Bus	1
73	Utility/RR	5
80	Cold Storage	9
87	Office-Condo	605
88	Self Service Station	16
89	Skating Rink	5
90	Vet Clinic	44
94	Mini - Lube	31
95	Manufacturing	333
96	Engineering Office	10
98	Lumber Shed	14
100	Center City	5
TOTAL		8,703

TRAINING

The training for the appraisers working on the 2013 Reappraisal will be in two formats, (1) formal and (2) informal, or on-the-job training.

Formal Training

- Training on the integrated assessment system (IAS) will be resumed, on an as-needed basis, for those new to the IAS system and those needing a review of the system's capabilities. This should take place in the Assessor's East Office, and the instructors will be from the IAS vendor, Cole*Layer*Trumble Company or from the Assessor's staff.
- Training on appraisal and assessment techniques will be offered to those who require IAAO (International Association of Assessing Officers) courses in order to maintain their professional designations. This will likely take place off-site, depending on the individual course offerings.
- High-profile local property developers, leasing agents, brokers, and property managers will be brought in to demonstrate how day-to-day real estate investment decisions are made by real world marketplace participants.

Informal (On-the-Job) Training

- In most instances, this training will be a matter of the appraiser's supervisor outlining the task to be performed, showing the appraiser how to perform the task, watching the appraiser perform the task, and finally, reviewing the successful completion of the task with the appraiser. Continued training by the supervisor will be offered for support or reinforcement, as needed.
- In other instances, an inexperienced appraiser will be paired with an experienced appraiser, and they will do property inspections, data entry, and appraisals together, until the inexperienced appraiser is adroit with the task.

CAPITALIZATION RATE STUDY

Most of the commercial parcels in Shelby County lend themselves to analysis of value by use of the income technique of appraising properties. A vital ingredient to the "Value equals Income divided by Rate" or " $V=I/R$ " formula is the selection of the proper capitalization (cap) rate. There are various published sources of this information, but most of them are based on national averages. Real estate, like politics, is local. National cap rates are important, and the Assessor's Office subscribes to many services that provide this information; however, there is no substitute for local data. In addition, the use of local data is especially important in the defense of values before appeal boards.

In order to obtain local applied research, in this case cap rates, and to have the results be unchallenged in the real estate valuation community, it is important that the cap rate study be performed by other than Assessor's Office personnel.

The Shelby County Assessor contracted with the University of Memphis faculty members to have a capitalization rate study undertaken. The study was to be conducted under the sponsorship of a grant from the Assessor's Office, but it was to be conducted completely independently of the Assessor. The study originated in 1995 and the project was completed for the 1998 Reappraisal.

For the 2001 Reappraisal, we contracted with PricewaterhouseCoopers, in cooperation with Peter Korpacz of the *Korpacz Real Estate Investor Survey*, to conduct the cap rate study. The Cap Rate Study for the 2005 and 2009 Reappraisal was completed by Land America.

This independent third-party research provides the most credible and objective position on the cap rate issue. It also serves the public interest by providing a comprehensive report that is made available to the public in the form of a hardbound published study, as well as being available on the Assessor's website.

We propose that the 2013 Reappraisal project continue the tradition of the cap rate study, and that \$50,000 be allocated for this purpose.

VALUING LOW-END RESIDENCES

The value of homes in the low or extreme value range will be addressed specifically in the 2013 Reappraisal to prevent a repetition of this apparent regressivity in the assessments of these lower-value homes.

- A special appraisal team will be assigned to review the 2009 Reappraisal values of the low-value residences, defined as homes with a value below \$70,000. (Traditionally, residential appraisers have concentrated on areas of the county, not the value range of homes.)
- Special queries will be done to identify those homes whose 2013 preliminary values exceed their 2009 values by a specified dollar amount or percentage. This will provide an early warning system that there are potential errors in the valuation process, assuming no value indicators have changed substantially since the 2009 Reappraisal.
- More attention will be paid on the modeling procedure for all homes that fall in this price range to make sure the computerized assessment system is generating values that are within a predetermined range per square foot or within a total value range.
- Closer tracking will be done between the actual sales prices of homes in the price value range and their indicated 2013 values. Both *Chandler Reports* and our own confirmed sales data will be used as resources.
- Foreclosure sales will be included as possible comparable sales, because to exclude them would be to execute a significant portion of the lower-end market, and thus distort the model.
- A final review team of certified residential appraisers and knowledgeable Realtors will be assembled to pass on the reasonableness of the preliminary 2013 values of these modest-priced homes.

VALUING HIGH-END RESIDENCES

High-end residences will be addressed in several ways in the 2013.

- A special appraisal team will be assembled for the 2013 Reappraisal to review the values of all high-end residences, which are defined as homes with a value in excess of \$750,000 and/or a size in excess of 3,500 square feet of gross living area (GLA). Traditionally, residential appraisers have reviewed homes by neighborhood or region, not by price range or size, when estimating values for mass-appraisal.
- Specific standards will be established for the collection and analysis of the variables which affect the values of these properties, such as location, property amenities, aesthetics, etc., in order to ensure that the appropriate adjustments are made for these items.
- A final review team of certified residential fee appraisers and knowledgeable Realtors will be assembled to pass on the reasonableness of the preliminary values of the upper-end homes. This will be a quality control measure, and will entail the examination of a representative sample, not the entire universe, of these properties.
- More attention will be concentrated on the modeling procedure for all homes, which fall in the upper price or value range, to make sure the computerized assessment system is generating values that are within the expected range per square foot of GLA.
- Closer tracking will be done between the actual sales prices of these properties and their indicated values, using both the Assessor's verified sales and *Chandler Reports* to reconcile the sales price and our new values.
- The appraisers working on this group of homes will maintain close contact with the builders and sellers of upper-end residences, as another on-going check on the accuracy of our computer-generated values.